

RECURRING COST WORKSHEET 5.3

COST BY ACCOUNT PER AVG DS3 SERVICE

	A	B	C	
Account Number	244149	242212		SOURCE, Col. A, B
Account Description	CONDUIT	FIBER		
Cost Factors				
1 Net Plant	1.0000	1.0000		Accounted for in RIT
2 FCC RIT	0.1033	0.0957		1992 Company Study
3 St/Fed Tax as a % of RIT	0.2835	0.2835		1992 Company Study
4 Cost of Money	0.0740	0.0686		Ln 1 * Ln 2 * (1 - Ln 3)
5 State & Fed Taxes	0.0293	0.0271		Ln 1 * Ln 2 * Ln 3
6 Depreciation	0.0220	0.0440		1992 Company Study
7 Repair and Maintenance	0.00113	0.0054		1992 Company Study
8 Administrative	0.0466	0.0466		1992 Company Study
9 Marketing	0.0110	0.0110		1992 Company Study
10 Other Taxes	0.0083	0.0083		1992 Company Study
11 Overhead	0.0287	0.0287	Total (A+B)	1992 Company Study
12 Gross Investment	\$6,798	\$29,991	\$36,788	Worksheet 2.2
Annual Cost				
13 Cost of Money	\$503	\$2,056	\$2,560	Ln 4 * Ln 12
14 State & Fed Taxes	\$199	\$814	\$1,013	Ln 5 * Ln 12
15 Depreciation	\$150	\$1,320	\$1,469	Ln 6 * Ln 12
16 Repair and Maintenance	\$8	\$162	\$170	Ln 7 * Ln 12
17 Administration	\$317	\$1,398	\$1,714	Ln 8 * Ln 12
18 Marketing	\$75	\$330	\$405	Ln 9 * Ln 12
19 Other Taxes	\$56	\$249	\$305	Ln 10 * Ln 12
20 Subtotal of Expenses	\$1,307	\$6,328	\$7,635	Sum (Ln 13...Ln 19)
21 Overhead	\$195	\$861	\$1,056	Ln 11 * Ln 12
22 Total Annual Costs	\$1,503	\$7,189	\$8,691	Ln 20 + Ln 21

RECURRING COST WORKSHEET 5.5

COST BY ACCOUNT PER AVG DS3 SERVICE

	A	B	C	
Account Number		223210		SOURCE, Col. A, B
Account Description	DIGITAL EQ	DIGITAL EQ		
	C0	REMOTE		
Cost Factors				
1 Net Plant	1.0000	1.0000		Accounted for in RIT
2 FCC RIT	0.0839	0.0839		1992 Company Study
3 St/Fed Tax as a % of RIT	28.35%	28.35%		1992 Company Study
4 Cost of Money	0.0601	0.0601		Ln 1 * Ln 2 * (1 - Ln 3)
5 State & Fed Taxes	0.0238	0.0238		Ln 1 * Ln 2 * Ln 3
6 Depreciation	0.0850	0.0850		1992 Company Study
7 Repair and Maintenance	0.0143	0.0143		1992 Company Study
8 Administration	0.0466	0.0466		1992 Company Study
9 Marketing	0.0110	0.0110		1992 Company Study
10 Other Taxes	0.0083	0.0083		1992 Company Study
11 Overhead	0.0287	0.0287		1992 Company Study
		Total (A+B)		
12 Gross Current Investment	\$37,556	\$27,058	\$64,613	See Workpaper 2.2
13 Equivalent Gross Book Investment	\$29,973	\$24,487		Line 10/ cc/bc ratio
Annual Cost				
14 Cost of Money	\$2,258	\$1,627	\$3,884	Ln 4 * Ln 12
15 State & Fed Taxes	\$893	\$644	\$1,537	Ln 5 * Ln 12
16 Depreciation	\$3,192	\$2,300	\$5,492	Ln 6 * Ln 12
17 Repair and Maintenance	\$537	\$387	\$924	Ln 7 * Ln 12
18 Administration	\$1,397	\$1,141	\$2,538	Ln 8 * Ln 13
19 Marketing	\$330	\$269	\$599	Ln 9 * Ln 13
20 Other Taxes	\$249	\$203	\$452	Ln 10 * Ln 13
21 Subtotal of Expenses	\$8,855	\$6,571	\$15,426	Sum (Ln 14...Ln 20)
22 Overhead	\$860	\$703	\$1,563	Ln 9 * Ln 11
Total Annual Costs	\$9,716	\$7,273	\$16,989	Ln 17 + Ln 18

RECURRING COST WORKSHEET 5.4

COST BY ACCOUNT PER AVG DS3 SERVICE

	A	B	C	
Account Number	211100	212100		SOURCE, Col. A, B
Account Description	LAND	BUILDING		
Cost Factors				
1 Net Plant	1.0000	1.0000		Accounted for in RIT
2 FCC RIT	0.1614	0.1165		1992 Company Study
3 St/Fed Tax as a % of RIT	28.35%	28.35%		1992 Company Study
4 Cost of Money	0.1156	0.0835		Ln 1 * Ln 2 * (1 - Ln 3)
5 State & Fed Taxes	0.0458	0.0330		Ln 1 * Ln 2 * Ln 3
6 Depreciation	0.0000	0.0290		1992 Company Study
7 Repair and Maintenance	0.0000	0.0261		1992 Company Study
8 Administration	0.0466	0.0466		1992 Company Study
9 Marketing	0.0110	0.0110		1992 Company Study
10 Other Taxes	0.0083	0.0083	Total (A+B)	
11 Overhead	0.0287	0.0287		
12 Gross Investment	\$379	\$4,428	\$4,807	See Workpaper 2.2
Annual Cost				
13 Cost of Money	\$44	\$370	\$413	Ln 4 * Ln 12
14 State & Fed Taxes	\$17	\$146	\$164	Ln 5 * Ln 12
15 Depreciation	\$0	\$128	\$128	Ln 6 * Ln 12
16 Repair and Maintenance	\$0	\$116	\$116	Ln 7 * Ln 12
17 Administration	\$18	\$206	\$224	Ln 8 * Ln 12
18 Marketing	\$4	\$49	\$53	Ln 9 * Ln 12
19 Other Taxes	\$3	\$37	\$40	Ln 10 * Ln 12
20 Subtotal of Expenses	\$86	\$1,052	\$1,138	Sum (Ln 13...Ln 19)
21 Overhead	\$11	\$127	\$138	Ln 11 * Ln 12
22 Total Annual Costs	\$97	\$1,179	\$1,276	Ln 20 + Ln 21

PACIFIC BELL DATA RESPONSE
SECTION 6

RECURRING COST SUMMARY, Avg DS3x3 Service 1 yr Term**DS3x3 Electrical DS3x3 Optical**

1 Gross Investment	\$254,534	\$188,032	See Investment Summary, pg 6.2
Annual Cost			
2 Cost of Money	\$16,252	\$9,372	See Col C , Reccurring Cost Worksheets, Sum by item
3 State & Fed Taxes	\$6,430	\$3,708	See Col C , Reccurring Cost Worksheets, Sum by item
4 Depreciation	\$17,993	\$8,266	See Col C , Reccurring Cost Worksheets, Sum by item
5 Repair and Maintenance	\$3,154	\$1,517	See Col C , Reccurring Cost Worksheets, Sum by item
6 Administration	\$10,490	\$6,234	See Col C , Reccurring Cost Worksheets, Sum by item
7 Marketing	\$2,476	\$1,472	See Col C , Reccurring Cost Worksheets, Sum by item
8 Other Taxes	\$1,868	\$1,110	See Col C , Reccurring Cost Worksheets, Sum by item
9 Subtotal of Expenses	\$58,664	\$31,680	Sum(Ln 2...Ln 8)
10 Overhead	\$6,461	\$3,839	See Col C , Reccurring Cost Worksheets, Sum by item
11 Total Annual Cost	\$65,124	\$35,519	Ln 9 + Ln 10
 12 Monthly Cost	 \$5,427.04	 \$2,959.94	 Ln 11/12
13 Direct Cost	\$4,888.66	\$2,640.00	Ln 9/12
14 Monthly Rate	\$9,559.00	\$6,623.00	Avg Recurring Revenue Worksheet 2.1, Col C
15 Overhead Factor	1.96	2.51	Ln 14/ Ln 13

INVESTMENT SUMMARY

DS3x3 Service, 1 yr

Investment Summary by Rate Element

Investment by Account*	Chan Term	Mileage Fixed (wtd)	Mileage	Account Total Sum by row
1 Digital Eq CO (Account 223210)	\$69,054	\$25,604	\$19,780	\$114,439
2 Digital Eq Remote (Account 223210)	\$66,502	\$0	\$0	\$66,502
3 Land (Account 211100)	\$628	\$233	\$180	\$1,041
4 Building (Account 212100)	\$7,335	\$2,720	\$2,101	\$12,156
5 Fiber (Account 242212)	\$23,800	\$0	\$18,572	\$42,372
6 Conduit (Account 244149)	\$5,395	\$0	\$12,629	\$18,024
TOTAL	\$172,714	\$28,557	\$53,262	\$254,534
TOTAL Optical (w/o Remote EQ)	\$106,212	\$28,557	\$53,262	\$188,032

*Identified by Pacific Bell Investent studies

RECURRING COST WORKSHEET 6.3

COST BY ACCOUNT PER AVG DS3x3 SERVICE

	A	B	C	
Account Number	244149	242212		SOURCE, Col. A, B
Account Description	CONDUIT	FIBER		
Cost Factors				
1 Net Plant	1.0000	1.0000		Accounted for in RIT
2 FCC RIT	0.1033	0.0957		1992 Company Study
3 St/Fed Tax as a % of RIT	0.2835	0.2835		1992 Company Study
4 Cost of Money	0.0740	0.0686		Ln 1 * Ln 2 * (1 - Ln 3)
5 State & Fed Taxes	0.0293	0.0271		Ln 1 * Ln 2 * Ln 3
6 Depreciation	0.0220	0.0440		1992 Company Study
7 Repair and Maintenance	0.00113	0.0054		1992 Company Study
8 Administrative	0.0466	0.0466		1992 Company Study
9 Marketing	0.0110	0.0110		1992 Company Study
10 Other Taxes	0.0083	0.0083		1992 Company Study
11 Overhead	0.0287	0.0287	Total (A+B)	1992 Company Study
12 Gross Investment	\$18,024	\$42,372	\$60,395	Pacific Bell Study
Annual Cost				
13 Cost of Money	\$1,334	\$2,905	\$4,239	Ln 4 * Ln 12
14 State & Fed Taxes	\$528	\$1,150	\$1,677	Ln 5 * Ln 12
15 Depreciation	\$397	\$1,864	\$2,261	Ln 6 * Ln 12
16 Repair and Maintenance	\$20	\$229	\$249	Ln 7 * Ln 12
17 Administration	\$840	\$1,975	\$2,814	Ln 8 * Ln 12
18 Marketing	\$198	\$466	\$664	Ln 9 * Ln 12
19 Other Taxes	\$150	\$352	\$501	Ln 10 * Ln 12
20 Subtotal of Expenses	\$3,466	\$8,940	\$12,407	Sum (Ln 13...Ln 19)
21 Overhead	\$517	\$1,216	\$1,733	Ln 11 * Ln 12
22 Total Annual Costs	\$3,984	\$10,157	\$14,140	Ln 20 + Ln 21

RECURRING COST WORKSHEET 6.4

COST BY ACCOUNT PER AVG DS3x3 SERVICE

	A	B		
Account Number	211100	212100	SOURCE, Col. A, B	
Account Description	LAND	BUILDING		
Cost Factors				
1 Net Plant	1.0000	1.0000	Accounted for in RIT	
2 FCC RIT	0.1614	0.1165	1992 Company Study	
3 St/Fed Tax as a % of RIT	28.35%	28.35%	1992 Company Study	
4 Cost of Money	0.1156	0.0835	Ln 1 * Ln 2 * (1 - Ln 3)	
5 State & Fed Taxes	0.0458	0.0330	Ln 1 * Ln 2 * Ln 3	
6 Depreciation	0.0000	0.0290	1992 Company Study	
7 Repair and Maintenance	0.0000	0.0261	1992 Company Study	
8 Administration	0.0466	0.0466	1992 Company Study	
9 Marketing	0.0110	0.0110	1992 Company Study	
10 Other Taxes	0.0083	0.0083	Total (A+B)	
11 Overhead	0.0287	0.0287		
12 Gross Investment	\$1,041	\$12,156	\$13,197	Pacific Bell Study
Annual Cost				
13 Cost of Money	\$120	\$1,015	\$1,135	Ln 4 * Ln 12
14 State & Fed Taxes	\$48	\$401	\$449	Ln 5 * Ln 12
15 Depreciation	\$0	\$353	\$353	Ln 6 * Ln 12
16 Repair and Maintenance	\$0	\$317	\$317	Ln 7 * Ln 12
17 Administration	\$49	\$566	\$615	Ln 8 * Ln 12
18 Marketing	\$11	\$134	\$145	Ln 9 * Ln 12
19 Other Taxes	\$9	\$101	\$110	Ln 10 * Ln 12
20 Subtotal of Expenses	\$237	\$2,887	\$3,124	Sum (Ln 13...Ln 19)
21 Overhead	\$30	\$349	\$379	Ln 11 * Ln 12
22 Total Annual Costs	\$267	\$3,236	\$3,503	Ln 20 + Ln 21

6.4

RECURRING COST WORKSHEET 6.5

COST BY ACCOUNT PER AVG DS3x3 SERVICE

		A	B	
Account Number			223210	SOURCE, Col. A, B
Account Description		DIGITAL EQ	DIGITAL EQ	
		C0	REMOTE	
Cost Factors				
1	Net Plant	1.0000	1.0000	Accounted for in RIT
2	FCC RIT	0.0839	0.0839	1992 Company Study
3	St/Fed Tax as a % of RIT	28.35%	28.35%	1992 Company Study
4	Cost of Money	0.0601	0.0601	Ln 1 * Ln 2 * (1 - Ln 3)
5	State & Fed Taxes	0.0238	0.0238	Ln 1 * Ln 2 * Ln 3
6	Depreciation	0.0850	0.0850	1992 Company Study
7	Repair and Maintenance	0.0143	0.0143	1992 Company Study
8	Administration	0.0466	0.0466	1992 Company Study
9	Marketing	0.0110	0.0110	1992 Company Study
10	Other Taxes	0.0083	0.0083	1992 Company Study
11	Overhead	0.0287	0.0287	1992 Company Study
			Total (A+B)	
12	Gross Current Investment	\$114,439	\$66,502	\$180,941 Pacific Bell Study
13	Equivalent Gross Book Investment	\$91,332	\$60,183	Line 10/ cc/bc ratio
Annual Cost				
14	Cost of Money	\$6,879	\$3,998	\$10,877 Ln 4 * Ln 12
15	State & Fed Taxes	\$2,722	\$1,582	\$4,304 Ln 5 * Ln 12
16	Depreciation	\$9,727	\$5,653	\$15,380 Ln 6 * Ln 12
17	Repair and Maintenance	\$1,636	\$951	\$2,587 Ln 7 * Ln 12
18	Administration	\$4,256	\$2,805	\$7,061 Ln 8 * Ln 13
19	Marketing	\$1,005	\$662	\$1,667 Ln 9 * Ln 13
20	Other Taxes	\$758	\$500	\$1,258 Ln 10 * Ln 13
21	Subtotal of Expenses	\$26,984	\$16,149	\$43,133 Sum (Ln 14...Ln 20)
22	Overhead	\$2,621	\$1,727	\$4,348 Ln 9 * Ln 11
Total Annual Costs		\$29,605	\$17,877	\$47,482 Ln 17 + Ln 18

**PACIFIC BELL DATA RESPONSE
SECTION 7**

RECURRING COST SUMMARY, Avg DS3x3 Service 3 yr Term

DS3x3 Electrical DS3x3 Optical

1 Gross Investment	\$242,145	\$178,968	See Investment Summary, pg 7.2
Annual Cost			
2 Cost of Money	\$15,412	\$8,858	See Col C , Reccurring Cost Worksheets, Sum by i
3 State & Fed Taxes	\$6,098	\$3,505	See Col C , Reccurring Cost Worksheets, Sum by i
4 Depreciation	\$17,154	\$7,886	See Col C , Reccurring Cost Worksheets, Sum by i
5 Repair and Maintenance	\$2,941	\$1,382	See Col C , Reccurring Cost Worksheets, Sum by i
6 Administration	\$9,978	\$5,923	See Col C , Reccurring Cost Worksheets, Sum by i
7 Marketing	\$2,355	\$1,398	See Col C , Reccurring Cost Worksheets, Sum by i
8 Other Taxes	\$1,777	\$1,055	See Col C , Reccurring Cost Worksheets, Sum by i
9 Subtotal of Expenses	\$55,716	\$30,007	Sum(Ln 2...Ln 8)
10 Overhead	\$6,145	\$3,648	See Col C , Reccurring Cost Worksheets, Sum by i
11 Total Annual Cost	\$61,862	\$33,655	Ln 9 + Ln 10
 12 Monthly Cost	 \$5,155.13	 \$2,804.57	 Ln 11/12
 13 Direct Cost	 \$4,643.01	 \$2,500.57	 Ln 9/12
 14 Monthly Rate	 \$6,570.00	 \$4,970.00	 Avg Recurring Revenue Worksheet 2.1, Col C
 15 Overhead Factor	 1.42	 1.99	 Ln 14/ Ln 13

INVESTMENT SUMMARY

DS3x3 Service, 3 yr

Investment Summary by Rate Element

Investment by Account*	Chan Term	Mileage Fixed (wtd)	Mileage	Account Total Sum by row
1 Digital Eq CO (Account 223210)	\$63,648	\$25,604	\$19,780	\$109,033
2 Digital Eq Remote (Account 223210)	\$63,177	\$0	\$0	\$63,177
3 Land (Account 211100)	\$340	\$233	\$180	\$753
4 Building (Account 212100)	\$3,966	\$2,720	\$2,101	\$8,787
5 Fiber (Account 242212)	\$23,800	\$0	\$18,572	\$42,372
6 Conduit (Account 244149)	\$5,395	\$0	\$12,629	\$18,024
TOTAL	\$160,326	\$28,557	\$53,262	\$242,145
TOTAL Optical (w/o Remote EQ)	\$97,149	\$28,557	\$53,262	\$178,968

*Identified by Pacific Bell Investent studies

RECURRING COST WORKSHEET 7.3

COST BY ACCOUNT PER AVG DS3x3 SERVICE

	A	B	C	
Account Number	244149	242212		SOURCE, Col. A, B
Account Description	CONDUIT	FIBER		
Cost Factors				
1 Net Plant	1.0000	1.0000		Accounted for in RIT
2 FCC RIT	0.1033	0.0957		1992 Company Study
3 St/Fed Tax as a % of RIT	0.2835	0.2835		1992 Company Study
4 Cost of Money	0.0740	0.0686		Ln 1 * Ln 2 * (1 - Ln 3)
5 State & Fed Taxes	0.0293	0.0271		Ln 1 * Ln 2 * Ln 3
6 Depreciation	0.0220	0.0440		1992 Company Study
7 Repair and Maintenance	0.00113	0.0054		1992 Company Study
8 Administrative	0.0466	0.0466		1992 Company Study
9 Marketing	0.0110	0.0110		1992 Company Study
10 Other Taxes	0.0083	0.0083		1992 Company Study
11 Overhead	0.0287	0.0287	Total (A+B)	1992 Company Study
12 Gross Investment	\$18,024	\$42,372	\$60,395	Pacific Bell Study
Annual Cost				
13 Cost of Money	\$1,334	\$2,905	\$4,239	Ln 4 * Ln 12
14 State & Fed Taxes	\$528	\$1,150	\$1,677	Ln 5 * Ln 12
15 Depreciation	\$397	\$1,864	\$2,261	Ln 6 * Ln 12
16 Repair and Maintenance	\$20	\$229	\$249	Ln 7 * Ln 12
17 Administration	\$840	\$1,975	\$2,814	Ln 8 * Ln 12
18 Marketing	\$198	\$466	\$664	Ln 9 * Ln 12
19 Other Taxes	\$150	\$352	\$501	Ln 10 * Ln 12
20 Subtotal of Expenses	\$3,466	\$8,940	\$12,407	Sum (Ln 13...Ln 19)
21 Overhead	\$517	\$1,216	\$1,733	Ln 11 * Ln 12
22 Total Annual Costs	\$3,984	\$10,157	\$14,140	Ln 20 + Ln 21

RECURRING COST WORKSHEET 7.4

COST BY ACCOUNT PER AVG DS3x3 SERVICE

	A	B		
Account Number	211100	212100		
Account Description	LAND	BUILDING	SOURCE, Col. A, B	
Cost Factors				
1 Net Plant	1.0000	1.0000	Accounted for in RIT	
2 FCC RIT	0.1614	0.1165	1992 Company Study	
3 St/Fed Tax as a % of RIT	28.35%	28.35%	1992 Company Study	
4 Cost of Money	0.1156	0.0835	Ln 1 * Ln 2 * (1 - Ln 3)	
5 State & Fed Taxes	0.0458	0.0330	Ln 1 * Ln 2 * Ln 3	
6 Depreciation	0.0000	0.0290	1992 Company Study	
7 Repair and Maintenance	0.0000	0.0261	1992 Company Study	
8 Administration	0.0466	0.0466	1992 Company Study	
9 Marketing	0.0110	0.0110	1992 Company Study	
10 Other Taxes	0.0083	0.0083	Total (A+B)	
11 Overhead	0.0287	0.0287		
12 Gross Investment	\$753	\$8,787	\$9,540	Pacific Bell Study
Annual Cost				
13 Cost of Money	\$87	\$734	\$821	Ln 4 * Ln 12
14 State & Fed Taxes	\$34	\$290	\$325	Ln 5 * Ln 12
15 Depreciation	\$0	\$255	\$255	Ln 6 * Ln 12
16 Repair and Maintenance	\$0	\$229	\$229	Ln 7 * Ln 12
17 Administration	\$35	\$409	\$445	Ln 8 * Ln 12
18 Marketing	\$8	\$97	\$105	Ln 9 * Ln 12
19 Other Taxes	\$6	\$73	\$79	Ln 10 * Ln 12
20 Subtotal of Expenses	\$171	\$2,087	\$2,258	Sum (Ln 13...Ln 19)
21 Overhead	\$22	\$252	\$274	Ln 11 * Ln 12
22 Total Annual Costs	\$193	\$2,339	\$2,532	Ln 20 + Ln 21

7.4

RECURRING COST WORKSHEET 7.5

COST BY ACCOUNT PER AVG DS3x3 SERVICE

	A	B	
Account Number		223210	SOURCE, Col. A, B
Account Description	DIGITAL EQ	DIGITAL EQ	
Cost Factors	C0	REMOTE	
1 Net Plant	1.0000	1.0000	Accounted for in RIT
2 FCC RIT	0.0839	0.0839	1992 Company Study
3 St/Fed Tax as a % of RIT	28.35%	28.35%	1992 Company Study
4 Cost of Money	0.0601	0.0601	Ln 1 * Ln 2 * (1 - Ln 3)
5 State & Fed Taxes	0.0238	0.0238	Ln 1 * Ln 2 * Ln 3
6 Depreciation	0.0850	0.0850	1992 Company Study
7 Repair and Maintenance	0.0143	0.0143	1992 Company Study
8 Administration	0.0466	0.0466	1992 Company Study
9 Marketing	0.0110	0.0110	1992 Company Study
10 Other Taxes	0.0083	0.0083	1992 Company Study
11 Overhead	0.0287	0.0287	1992 Company Study
		Total (A+B)	
12 Gross Current Investment	\$109,033	\$63,177	\$172,210
13 Equivalent Gross Book Investment	\$87,017	\$57,174	PAcific Bell Study
			Line 10/ cc/bc ratio
Annual Cost			
14 Cost of Money	\$6,554	\$3,798	\$10,352
15 State & Fed Taxes	\$2,593	\$1,503	\$4,096
16 Depreciation	\$9,268	\$5,370	\$14,638
17 Repair and Maintenance	\$1,559	\$903	\$2,463
18 Administration	\$4,055	\$2,664	\$6,719
19 Marketing	\$957	\$629	\$1,586
20 Other Taxes	\$722	\$475	\$1,197
21 Subtotal of Expenses	\$25,709	\$15,342	\$41,051
22 Overhead	\$2,497	\$1,641	\$4,138
Total Annual Costs	\$28,207	\$16,983	\$45,189

Ln 17 + Ln 18

7.5

**PACIFIC BELL DATA RESPONSE
SECTION 8**

RECURRING COST SUMMARY, Avg DS3x3 Service 5 yr Term

DS3x3 Electrical DS3x3 Optical

1 Gross Investment	\$189,724	\$152,660	See Investment Summary, pg 8.2
Annual Cost			
2 Cost of Money	\$12,261	\$7,288	See Col C , Reccurring Cost Worksheets, Sum by item
3 State & Fed Taxes	\$4,851	\$2,884	See Col C , Reccurring Cost Worksheets, Sum by item
4 Depreciation	\$12,698	\$5,666	See Col C , Reccurring Cost Worksheets, Sum by item
5 Repair and Maintenance	\$2,192	\$1,009	See Col C , Reccurring Cost Worksheets, Sum by item
6 Administration	\$7,899	\$4,822	See Col C , Reccurring Cost Worksheets, Sum by item
7 Marketing	\$1,864	\$1,138	See Col C , Reccurring Cost Worksheets, Sum by item
8 Other Taxes	\$1,407	\$859	See Col C , Reccurring Cost Worksheets, Sum by item
9 Subtotal of Expenses	\$43,172	\$23,666	Sum(Ln 2....Ln 8)
10 Overhead	\$4,865	\$2,970	See Col C , Reccurring Cost Worksheets, Sum by item
11 Total Annual Cost	\$48,036	\$26,635	Ln 9 + Ln 10
12 Monthly Cost	\$4,003.02	\$2,219.61	Ln 11/12
13 Direct Cost	\$3,597.63	\$1,972.13	Ln 9/12
14 Monthly Rate	\$6,070.00	\$4,370.00	Avg Recurring Revenue Worksheet 2.1, Col C
15 Overhead Factor	1.69	2.22	Ln 14/ Ln 13

8.1

INVESTMENT SUMMARY

DS3 x3 Service, 5 yr

Investment Summary by Rate Element

Investment by Account*	Chan Term	Mileage Fixed (wtd)	Mileage	Account Total Sum by row
1 Digital Eq CO (Account 223210)	\$37,340	\$25,604	\$19,780	\$82,725
2 Digital Eq Remote (Account 223210	\$37,064	\$0	\$0	\$37,064
3 Land (Account 211100)	\$340	\$233	\$180	\$753
4 Building (Account 212100)	\$3,966	\$2,720	\$2,101	\$8,787
5 Fiber (Account 242212)	\$23,800	\$0	\$18,572	\$42,372
6 Conduit (Account 244149)	\$5,395	\$0	\$12,629	\$18,024
TOTAL	\$107,905	\$28,557	\$53,262	\$189,724
TOTAL Optical (w/o Remote EQ)	\$70,841	\$28,557	\$53,262	\$152,660

*Identified by Pacific Bell Investent studies

RECURRING COST WORKSHEET 8.3

COST BY ACCOUNT PER AVG DS3x3 SERVICE

	A	B	C	
Account Number	244149	242212		SOURCE, Col. A, B
Account Description	CONDUIT	FIBER		
Cost Factors				
1 Net Plant	1.0000	1.0000		Accounted for in RIT
2 FCC RIT	0.1033	0.0957		1992 Company Study
3 St/Fed Tax as a % of RIT	0.2835	0.2835		1992 Company Study
4 Cost of Money	0.0740	0.0686		Ln 1 * Ln 2 * (1 - Ln 3)
5 State & Fed Taxes	0.0293	0.0271		Ln 1 * Ln 2 * Ln 3
6 Depreciation	0.0220	0.0440		1992 Company Study
7 Repair and Maintenance	0.00113	0.0054		1992 Company Study
8 Administrative	0.0466	0.0466		1992 Company Study
9 Marketing	0.0110	0.0110		1992 Company Study
10 Other Taxes	0.0083	0.0083		1992 Company Study
11 Overhead	0.0287	0.0287	Total (A+B)	1992 Company Study
12 Gross Investment	\$18,024	\$42,372	\$60,395	Pacific Bell Study
Annual Cost				
13 Cost of Money	\$1,334	\$2,905	\$4,239	Ln 4 * Ln 12
14 State & Fed Taxes	\$528	\$1,150	\$1,677	Ln 5 * Ln 12
15 Depreciation	\$397	\$1,864	\$2,261	Ln 6 * Ln 12
16 Repair and Maintenance	\$20	\$229	\$249	Ln 7 * Ln 12
17 Administration	\$840	\$1,975	\$2,814	Ln 8 * Ln 12
18 Marketing	\$198	\$466	\$664	Ln 9 * Ln 12
19 Other Taxes	\$150	\$352	\$501	Ln 10 * Ln 12
20 Subtotal of Expenses	\$3,466	\$8,940	\$12,407	Sum (Ln 13...Ln 19)
21 Overhead	\$517	\$1,216	\$1,733	Ln 11 * Ln 12
22 Total Annual Costs	\$3,984	\$10,157	\$14,140	Ln 20 + Ln 21

RECURRING COST WORKSHEET 8.4

COST BY ACCOUNT PER AVG DS3x3 SERVICE

	A	B		
Account Number	211100	212100		
Account Description	LAND	BUILDING	SOURCE, Col. A, B	
Cost Factors				
1 Net Plant	1.0000	1.0000	Accounted for in RIT	
2 FCC RIT	0.1614	0.1165	1992 Company Study	
3 St/Fed Tax as a % of RIT	28.35%	28.35%	1992 Company Study	
4 Cost of Money	0.1156	0.0835	Ln 1 * Ln 2 * (1 - Ln 3)	
5 State & Fed Taxes	0.0458	0.0330	Ln 1 * Ln 2 * Ln 3	
6 Depreciation	0.0000	0.0290	1992 Company Study	
7 Repair and Maintenance	0.0000	0.0261	1992 Company Study	
8 Administration	0.0466	0.0466	1992 Company Study	
9 Marketing	0.0110	0.0110	1992 Company Study	
10 Other Taxes	0.0083	0.0083	Total (A+B)	
11 Overhead	0.0287	0.0287		
12 Gross Investment	\$753	\$8,787	\$9,540	Pacific Bell Study
Annual Cost				
13 Cost of Money	\$87	\$734	\$821	Ln 4 * Ln 12
14 State & Fed Taxes	\$34	\$290	\$325	Ln 5 * Ln 12
15 Depreciation	\$0	\$255	\$255	Ln 6 * Ln 12
16 Repair and Maintenance	\$0	\$229	\$229	Ln 7 * Ln 12
17 Administration	\$35	\$409	\$445	Ln 8 * Ln 12
18 Marketing	\$8	\$97	\$105	Ln 9 * Ln 12
19 Other Taxes	\$6	\$73	\$79	Ln 10 * Ln 12
20 Subtotal of Expenses	\$171	\$2,087	\$2,258	Sum (Ln 13...Ln 19)
21 Overhead	\$22	\$252	\$274	Ln 11 * Ln 12
22 Total Annual Costs	\$193	\$2,339	\$2,532	Ln 20 + Ln 21

RECURRING COST WORKSHEET 8.5

COST BY ACCOUNT PER AVG DS3x3 SERVICE

Account Number Account Description Cost Factors	A		B		SOURCE, Col. A, B
	DIGITAL	EQ C0	223210 DIGITAL	EQ REMOTE	
1 Net Plant	1.0000		1.0000		Accounted for in RIT
2 FCC RIT	0.0839		0.0839		1992 Company Study
3 St/Fed Tax as a % of RIT	28.35%		28.35%		1992 Company Study
4 Cost of Money	0.0601		0.0601		Ln 1 * Ln 2 * (1 - Ln 3)
5 State & Fed Taxes	0.0238		0.0238		Ln 1 * Ln 2 * Ln 3
6 Depreciation	0.0850		0.0850		1992 Company Study
7 Repair and Maintenance	0.0143		0.0143		1992 Company Study
8 Administration	0.0466		0.0466		1992 Company Study
9 Marketing	0.0110		0.0110		1992 Company Study
10 Other Taxes	0.0083		0.0083		1992 Company Study
11 Overhead	0.0287		0.0287		1992 Company Study
			Total (A+B)		
12 Gross Current Investment	\$82,725		\$37,064	\$119,789	Pacific Bell Study
13 Equivalent Gross Book Investment	\$66,022		\$33,542		Line 10/ cc/bc ratio
Annual Cost					
14 Cost of Money	\$4,973		\$2,228	\$7,201	Ln 4 * Ln 12
15 State & Fed Taxes	\$1,968		\$882	\$2,849	Ln 5 * Ln 12
16 Depreciation	\$7,032		\$3,150	\$10,182	Ln 6 * Ln 12
17 Repair and Maintenance	\$1,183		\$530	\$1,713	Ln 7 * Ln 12
18 Administration	\$3,077		\$1,563	\$4,640	Ln 8 * Ln 13
19 Marketing	\$726		\$369	\$1,095	Ln 9 * Ln 13
20 Other Taxes	\$548		\$278	\$826	Ln 10 * Ln 13
21 Subtotal of Expenses	\$19,506		\$9,001	\$28,507	Sum (Ln 14...Ln 20)
22 Overhead	\$1,895		\$963	\$2,857	Ln 9 * Ln 11
Total Annual Costs	\$21,401		\$9,963	\$31,364	Ln 17 + Ln 18

8.5

**PACIFIC BELL DATA RESPONSE
SECTION 9**

RECURRING COST SUMMARY, Avg DS3x12 Service 3 yr Term

	DS3x12 Electrical	DS3x3 Optical	
1 Gross Investment	\$280,637	\$178,347	See Investment Summary, pg 9.2
Annual Cost			
2 Cost of Money	\$17,546	\$9,507	See Col C , Reccurring Cost Worksheets, Sum by item
3 State & Fed Taxes	\$6,942	\$3,762	See Col C , Reccurring Cost Worksheets, Sum by item
4 Depreciation	\$35,295	\$16,191	See Col C , Reccurring Cost Worksheets, Sum by item
5 Repair and Maintenance	\$3,880	\$1,968	See Col C , Reccurring Cost Worksheets, Sum by item
6 Administration	\$11,366	\$6,393	See Col C , Reccurring Cost Worksheets, Sum by item
7 Marketing	\$2,683	\$1,509	See Col C , Reccurring Cost Worksheets, Sum by item
8 Other Taxes	\$2,024	\$1,139	See Col C , Reccurring Cost Worksheets, Sum by item
9 Subtotal of Expenses	\$79,738	\$40,468	Sum(Ln 2....Ln 8)
10 Overhead	\$7,000	\$3,937	See Col C , Reccurring Cost Worksheets, Sum by item
11 Total Annual Cost	\$86,738	\$44,405	Ln 9 + Ln 10
12 Monthly Cost	\$7,228.17	\$3,700.41	Ln 11/12
13 Direct Cost	\$6,644.81	\$3,372.30	Ln 9/12
14 Monthly Rate	\$11,500.00	\$8,300.00	Avg Recurring Revenue Worksheet 2.1, Col C
15 Overhead Factor	1.73	2.46	Ln 14/ Ln 13

INVESTMENT SUMMARY

DS3x12 Service, 3 yr

Investment Summary by Rate Element

Investment by Account*	Chan Term	Mileage Fixed (wtd)	Mileage	Account Total Sum by row
1 Digital Eq CO(Account 223210)	\$133,730	\$0	\$0	\$133,730
2 Digital Eq Remote (Account 223210	\$102,289	\$0	\$0	\$102,289
3 Land,(Account 211100)	\$1,217	\$0	\$0	\$1,217
4 Building (Account 212100)	\$14,206	\$0	\$0	\$14,206
5 Fiber (Account 242212)	\$23,800	\$0	\$0	\$23,800
6 Conduit (Account 244149)	\$5,395	\$0	\$0	\$5,395
TOTAL	\$280,637	\$0	\$0	\$280,637
TOTAL Optical (w/o Remote EQ)	\$178,347	\$0	\$0	\$178,347

*Identified by Pacific Bell Investent studies

Note: Interoffice Mileage is not offered with DS3x12

RECURRING COST WORKSHEET 9.3

COST BY ACCOUNT PER AVG DS3x12 SERVICE

	A	B	C	
Account Number	244149	242212		SOURCE, Col. A, B
Account Description	CONDUIT	FIBER		
Cost Factors				
1 Net Plant	1.0000	1.0000		Accounted for in RIT
2 FCC RIT	0.1033	0.0957		1992 Company Study
3 St/Fed Tax as a % of RIT	0.2835	0.2835		1992 Company Study
4 Cost of Money	0.0740	0.0686		Ln 1 * Ln 2 * (1 - Ln 3)
5 State & Fed Taxes	0.0293	0.0271		Ln 1 * Ln 2 * Ln 3
6 Depreciation	0.0220	0.0440		1992 Company Study
7 Repair and Maintenance	0.00113	0.0054		1992 Company Study
8 Administrative	0.0466	0.0466		1992 Company Study
9 Marketing	0.0110	0.0110		1992 Company Study
10 Other Taxes	0.0083	0.0083		1992 Company Study
11 Overhead	0.0287	0.0287	Total (A+B)	1992 Company Study
12 Gross Investment	\$5,395	\$23,800	\$29,195	Pacific Bell Study
Annual Cost				
13 Cost of Money	\$399	\$1,632	\$2,031	Ln 4 * Ln 12
14 State & Fed Taxes	\$158	\$646	\$804	Ln 5 * Ln 12
15 Depreciation	\$119	\$1,047	\$1,166	Ln 6 * Ln 12
16 Repair and Maintenance	\$6	\$129	\$135	Ln 7 * Ln 12
17 Administration	\$251	\$1,109	\$1,360	Ln 8 * Ln 12
18 Marketing	\$59	\$262	\$321	Ln 9 * Ln 12
19 Other Taxes	\$45	\$198	\$242	Ln 10 * Ln 12
20 Subtotal of Expenses	\$1,038	\$5,022	\$6,059	Sum (Ln 13...Ln 19)
21 Overhead	\$155	\$683	\$838	Ln 11 * Ln 12
22 Total Annual Costs	\$1,192	\$5,705	\$6,897	Ln 20 + Ln 21